

Department of Social and Health Services

DP Code/Title: M2-9H FMAP Match Adjustment

Program Level - 080 Medical Assistance

Budget Period: 2003-05 Version: H2 080 2003-05 2004 Sup-Agency Req

Recommendation Summary Text:

This decision package reflects a temporary adjustment in the state and federal Title XIX match rates for Medicaid services. Congress recently adopted Public Law No: 108-27 that impacts the Federal Medical Assistance Percentage (FMAP) for certain services in the state of Washington. Statewide result number 5.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	(54,721,000)	0	(54,721,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	73,376,000	0	73,376,000
03C-1 Emer Med Ser/Trauma Care Sys Trust-State	(496,000)	0	(496,000)
760-1 Health Services Account-State	(17,907,000)	0	(17,907,000)
Total Cost	252,000	0	252,000

Staffing

Package Description:

Public Law No: 108-27, Jobs and Growth Tax Relief Reconciliation Act (TRRA) of 2003, was signed into law on May 28, 2003. This law allows Washington to claim an enhanced match of 2.95 percent for certain Title XIX Medicaid services claimed during the period April 1, 2003 through June 30, 2004. TRRA also allows Washington to use the Federal Fiscal Year 2002 FMAP for the last two quarters of Federal Fiscal Year 2003 (April 1, 2003 through September 30, 2003) if the Federal Fiscal Year 2002 FMAP was greater than the Federal Fiscal Year 2003 rate. Thus, Washington can use its 50.37 percent Federal Fiscal Year 2002 FMAP plus 2.95 percent resulting in the effective FMAP rate for Washington of 53.32 percent until September 30, 2003 and 52.95 percent from October 1, 2003 through June 30, 2004.

This law places restrictions on services that can receive the enhanced match rate. No enhancement is available for Medicaid disproportionate share hospital (DSH) payments, or for expenditures currently receiving enhanced match such as family planning, Medicaid coverage for women with breast and cervical cancer, and services to members of federally recognized Indian tribes. The enhanced rate does not apply to Title IV.

The FMAP change results in a net zero impact to the Department of Social and Health Services (DSHS). DSHS provides pass through federal Title XIX Assistance matched at the FMAP to the Office of the Superintendent for Public Instruction and they provide the state match.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This decision package has no impact on the agency's strategic plan.

Performance Measure Detail

Goal: 01Z DSHS Accounts for Its Use of Public Dollars

No measures submitted for package

Incremental Changes

FY 1

FY 2

Reason for change:

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To implement recently passed federal legislation.

Impact on clients and services:

This change will have no impact on agency clients or services provided.

Impact on other state programs:

None

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

Agency contracts with funding specific provisions are being reviewed. As a result, not all agency FMAP Title XIX assistance services are included in this estimate.

Alternatives explored by agency:

None

Budget impacts in future biennia:

There will be no impact in future biennia.

Distinction between one-time and ongoing costs:

This is a one-time, time limited change.

Effects of non-funding:

This temporary law change allows the department to earn more federal dollars and spend less state funds for the same services currently provided.

Expenditure Calculations and Assumptions:

See attachment - AW M2-9H FMAP Match Adjustment.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	252,000	0	252,000

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DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	(54,721,000)	0	(54,721,000)
<i>Total for Fund 001-1</i>		(54,721,000)	0	(54,721,000)
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	73,376,000	0	73,376,000
<i>Total for Fund 001-C</i>		73,376,000	0	73,376,000
Fund 03C-1, Emer Med Ser/Trauma Care Sys Trust-State				
<u>Sources</u>	<u>Title</u>			
03C1	State Emergency Medical Services/Trauma	(496,000)	0	(496,000)
<i>Total for Fund 03C-1</i>		(496,000)	0	(496,000)
Fund 760-1, Health Services Account-State				
<u>Sources</u>	<u>Title</u>			
7601	Health Services Account	(17,907,000)	0	(17,907,000)
<i>Total for Fund 760-1</i>		(17,907,000)	0	(17,907,000)
Total Overall Funding		252,000	0	252,000